

LNF & IHCIF Calculations Illustration

- NORTHWEST WA in Portland area -

Given Data

- 6,848 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 33% = % Expenditures on purchased services, 67% = % expenditures in-house
- 117.4% = Cost index for purchasing health care in this geographic area
- 108.1% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,158 per person for purchased services = $33\% * 117.4\% * \$2,980$
- \$2,155 per person for in-house services = $67\% * 108.1\% * \$2,980$
- \$3,313 per person total = \$1,158 (purchase) + \$2,155 (in-house)
- **\$3,211 per person total** adjusted for health status = $\$3,313 * 96.9\%$
- **\$2,466 per person net cost** = $\$3,211 - \745 Other resources (M&M&PI)

Existing Expenditures (for 6,848 users excluding wrap-around and collections)

- \$1,245 per person = local IHS allowance (excludes \$ for wrap-around)
- \$152 per person = expenditures elsewhere in Portland area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,451 per person for OU users** = $\$1,245 + \$152 + \$54$

LNF Calculation

- **45.2% Gross LNF** = $\$1,451$ (expenditures) / $\$3,211$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **58.8% Net LNF** = $\$1,451 / \$2,466$ net cost ($\$3,211 - \745 other)

IHCIF Allocation

- \$194,668 = \$ to raise LNF% from 58.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$6,790 Allocation** = $\$194,668$ needed for 60% * 3.488% IHCIF fraction

NORTHWEST WA Unmet Needs

- **\$16,890,411 Net Total Need** = 6,848 users * \$2,466 net cost
- **\$6,950,833 Net Unmet Need** = $(100\% - 58.8\% \text{ LNF}) * 6,848 \text{ users} * \$2,466 \text{ net cost}$